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Press Release

Source: Law Office of Alfred G. Yates Jr., PC

# Pittsburgh Law Office of Alfred G. Yates Jr., PC Commences a Shareholder Class Action Suit Against Washington Mutual, Inc. (WM) with an Expanded Class Period

Thursday December 20, 5:11 pm ET

## Announces Investigations of HomeBanc, Corp. (HMBN), Leap Wireless International, Inc. (LEAP), Security Capital Assurance, Ltd. (SCA) and VeriFone Holdings, Inc. (PAY)

PITTSBURGH--(BUSINESS WIRE)--Notice is hereby given by the Law Office of Alfred G. Yates Jr., PC that it has filed a class action in the Southern District of New York on behalf of purchasers of Washington Mutual, Inc. ("WaMu" or the "Company") ([NYSE:WM - News](#)) securities between April 18, 2006 and December 10, 2007, inclusive (the "Class Period").

If you wish to serve as lead plaintiff, you must move the Court no later than January 4, 2008. If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact plaintiff's counsel, Alfred G. Yates, Jr. at 1-800-391-5164 or via e-mail at [yateslaw@aol.com](mailto:yateslaw@aol.com). Any member of the purported class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain an absent class member.

The complaint charges WaMu and certain of its officers and directors with violations of the Securities Exchange Act of 1934. The Complaint alleges that, throughout the Class Period, defendants failed to disclose material adverse facts about the Company's financial well-being, business relationships, and prospects. Specifically, defendants failed to disclose or indicate the following: (1) that the Company had failed to adequately disclose the extent of its exposure to anticipated losses and defaults in its lending portfolio; (2) that contrary to earlier representations, the Company had failed to adequately reserve for losses as conditions in the credit and housing markets deteriorated; (3) that the defendants had engaged in a conspiracy with First American and EA to artificially inflate the appraised value of homes for certain mortgages to artificially inflate the Company's reported loan-to-value ratios; (4) that the Company's lending portfolio and the mortgages that it issued were substantially riskier than they were represented to investors to be; (5) that as a result, the Company's investment portfolio was impaired; (6) that, as a result of the above, the Company would be forced to take substantial charges in subsequent quarters to remedy such failures; (7) that the Company lacked adequate internal and financial controls; and (8) that, as a result of the foregoing, the Company's financial statements were materially false and misleading at all relevant times.

According to the complaint, on October 17, 2007, after the market closed, WaMu stunned investors by disclosing that it had suffered a 72% drop in third quarter of 2007 net income and would have to set aside up to \$1.3 billion in the fourth quarter of 2007 to cover its loan losses. On this news, WaMu's stock dropped from \$33.07 per share to as low as \$30 per share, closing at \$30.52 per share on October 18, 2007 on volume of more than 36 million shares. Then, on November 1, 2007, New York's Attorney General issued a press release announcing that a lawsuit was filed against First American Corporation and eAppraiseIT, alleging that they conspired with Washington Mutual to inflate Real Estate appraisals. Following this disclosure, WaMu's stock dropped to as low as \$23.59 per share before closing at \$23.81 per share, on volume of 31 million shares. Then on November 2, 2007, *MarketWatch.com* reported that Washington Mutual may have to set aside \$412 million to \$2.1 billion in extra reserves in response to the New York Attorney General's lawsuit. On this news, the Company's shares fell an additional \$1.94 per share, or over 7.5 percent, to close on November 2, 2007 at \$23.81 per share, on heavy trading volume. Then on November 7, 2007, *MarketWatch.com* further reported that Washington Mutual indicated that its 2007 credit losses could amount to between \$2.7 billion to \$2.9 billion, almost double the estimates that the Company provided July 2007. On this news, the Company's shares fell an additional \$4.19 per share, or over 17.3 percent, to close on November 7, 2007 at \$20.19 per share, on heavy trading volume. Finally, on December 10, 2007, after the close of the market, the Company disclosed that it expected to report a net loss for the fourth quarter of 2007. On this news, the Company's shares fell an additional \$2.46 per share, or over 12.3 percent, to close on December 11, 2007 at \$17.42 per share, on unusually heavy trading volume.

The Yates firm is also investigating actions on behalf of shareholders for the following companies:

COMPANY	CLASS PERIOD
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HomeBanc, Corp. (Other OTC: <a href="#">HMBN.PK</a> - <a href="#">News</a> )	September 26, 2005 through August 3, 2007
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Leap Wireless International,  
Inc.  
(NasdaqGS: [LEAP - News](#)) January 7, 2005 through November 9, 2007

Security Capital Assurance,  
Ltd.  
(NYSE: [SCA - News](#)) All persons who purchased the common stock in the Company's secondary public offering on or about June 6, 2007

VeriFone Holdings, Inc.  
(NYSE: [PAY - News](#)) August 31, 2006 through December 3, 2007

If you purchased securities of any of the above companies during their respective Class Periods and wish to discuss this action or have any questions, please contact Alfred G. Yates Jr., Esquire at 1-800-391-5164, toll free, or at [yateslaw@aol.com](mailto:yateslaw@aol.com) by e-mail.

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Source: Law Office of Alfred G. Yates Jr., PC

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